


Government of the District of Columbia  
Office of the Chief Financial Officer



**Jeff DeWitt**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeff DeWitt  
Chief Financial Officer 

**DATE:** October 15, 2014

**SUBJECT:** Fiscal Impact Statement – Douglass Knoll, Golden Rule, 1728 W Street,  
and Wagner Gainesville Real Property Tax Exemption Act of 2014

**REFERENCE:** Bill 20-832, As Introduced

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**Conclusion**

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

**Background**

In 2005,<sup>1</sup> the District of Columbia Council approved a fifteen-year real property tax exemption for four properties that are operated as multi-family qualified affordable housing properties. The properties are as follows:

- Square 525, Lot 840,<sup>2</sup> owned by Golden Rule Plaza, Inc.;
- Square 5734, Lots 33 through 36<sup>3</sup> and Square 5835, Lots 42 through 44,<sup>4</sup> owned by Wagner Gainesville, LP;
- Square 5778, Lot 166,<sup>5</sup> owned by 1728 W Street, LP; and
- Square 5894, Lots 38 through 44<sup>6</sup> and Square 5895, Lots 69 through 72,<sup>7</sup> owned by Douglass Knoll Cooperative, LP.

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<sup>1</sup> Douglass Knoll, Golden Rule, 1728 W Street, and Wagner Gainesville Real Property Tax Exemption Act of 2004, effective April 12, 2005 (D.C. Law 15-336; D.C. Official Code § 47-1065).

<sup>2</sup> Located at 1050 New Jersey Avenue, NW.

<sup>3</sup> Located at 2422, 2436, 2440, and 2446 Wagner Street, SE.

<sup>4</sup> Located at 2606 18<sup>th</sup> Street, SE and 1811 and 1817 Gainesville Street, SE.

<sup>5</sup> Located at 1728 W Street, SE.

<sup>6</sup> Located at 1925 and 2001 Savannah Terrace, SE and 3330, 3331, 3340, and 3341 22<sup>nd</sup> Street, SE.

<sup>7</sup> Located at 1900-1902, 1920-1924, 2000-2002, and 2102-2106 Savannah Terrace, SE.

The Honorable Phil Mendelson

FIS: Bill 20-832, "Douglass Knoll, Golden Rule, 1728 W Street, and Wagner Gainesville Real Property Tax Exemption Act of 2014," as introduced.

The bill eliminates the fifteen-year sunset provision and extends the real property tax exemption indefinitely, so long as the properties maintain their current tax-exempt use.

### **Financial Plan Impact**

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill. The current tax exemption will expire in Fiscal Year 2019, so there is no impact on the current budget or financial plan.

However, beginning in Fiscal Year 2020, the exemption will have an impact on the District's budget and financial plan. The impact will be approximately \$14.4 million between Fiscal Year 2020 and Fiscal Year 2040.<sup>8</sup>

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<sup>8</sup> See the Tax Abatement Financial Analysis issued on September 26, 2014.